

**CHILD
POVERTY
ACTION
GROUP**

PROMOTING BETTER POLICIES FOR CHILDREN

Child Poverty Action Group Inc Aotearoa NZ
Box 56150 Mt Eden Auckland Web page <http://thor.he.net/~cpanz/>

**Briefing paper to the Incoming Government
December 1999**

Child Poverty Action Group Inc

CPAG hopes that the incoming government will recognise that the most critical issue facing the nation is the state of our children. It is heartening that Labour has a "Children's Agenda" as part of its "Welfare for the 21st Century" policy package, and that the Alliance has a comprehensive policy for children and young people. While no government can reverse the damage of the past decade overnight, the impact of policies on children must now be at the forefront of the minds of policymakers.

CPAG reminds the new government that New Zealand is less generous in giving financial assistance to families than almost every other developed country. Our system emphasises targeted assistance without regard to the complexity and cost of its administration and the unevenness and ineffectiveness in the delivery of benefits. As a result we have evident and alarming child poverty and its consequences, such as many preventable childhood diseases, on a scale unimaginable twenty years ago.

The problems of excessive targeting (the method of delivering services to the poor favoured by the National Party) are that families often do not know their entitlements, how to access them, or how to keep them. The community services card, the accommodation supplement, fully targeted tax credits, and lower welfare benefits were introduced following the 1991 budget. They have failed to ensure that children in low-income families get the healthcare, shelter and basic family income that they need for healthy development. Targeted measures replaced the universal family benefit so valued by a generation of Kiwi parents and still enjoyed in countries like the UK. It is time to return to a more balanced policy mix.

The most important way we can prepare for the growing population of older people next century is to invest in the health and security of the children of today and those yet to be born. New Zealand desperately needs child-focussed policies and CPAG encourages the government to make that its priority. We endorse all the promises made in the election campaign. These include:

- a national conference on children's policy;
- active consideration of the impact of all legislation and policy on children;
- independence of the Commissioner for Children;
- adherence to the UN Convention on the Rights of the Child;
- wide consultation on policy development and evaluation.

CPAG has compiled further urgent policy needs as listed below. At the forefront is the need for safe, secure, stable and affordable housing. Without this, any of the other suggestions to alleviate child poverty will be a waste of time.

- **HOUSING:**

Security of adequate housing for children must not be in doubt. Housing is not about giving families a choice between types of tenure as existing policy is supposed to do. Such choice should be secondary to the goal of ensuring that every child can have a stable and secure home. Rents are now so high that many parents face either homelessness, inadequate housing or overcrowding from living with extended family and others. Children suffer from unhealthy surroundings, the lack of appropriate space for study purposes and excessive rates of mobility. This affects their health and educational achievement. Restoration of state housing rentals to 25% of family income is a positive first move. But the situation is now so serious that it requires a special Commission of Inquiry or policy taskforce to deliberate and consult widely. The outcome should be a suitable raft of local and central measures to begin to rebuild a shattered low income housing sector.

- **WELFARE:**

No child should be discriminated against on the basis that one or other parent is judged to be dependent on the state. Those payments that only go to the 'deserving' families (ie those where neither parent is receiving any form of state assistance, including a pension, student allowance, or ongoing ACC payment) are unjust to the child. The Family Plus package of the last budget is based on this principle of being independent from the state. Thus 'working' families only are entitled. This distinction implies some families are not doing useful work because one or both parents receive a benefit. That is unforgivable, but more than the language must change. All family tax credits must be extended to all children on the same basis. This includes the \$15 per week child tax credit and the new parental tax credit for new babies.

- **HEALTH:**

Children who are sick must have access to appropriate health care to enable them to enjoy the highest attainable standard of health. The community services card fails to ensure this for low income families. Many miss out because accessing the card is too complex. Research has shown that many families who do have these cards or high user cards do not understand when to present them to ensure they receive their full entitlements. Those families least likely to have the cards they are entitled to, or the understanding to use them appropriately, are often those with higher health needs. Medical and dental care for all children must be rationed by the health professional's judgement of health needs, not the financial state of the parents. The under 6's policy is valuable and should be extended to all children, their prescriptions, x-rays and out of hours care. New Zealand needs a national child health scheme reaching all children to ensure that children's health problems are prevented, monitored and treated.

- **STUDENT LOANS**

Access to tertiary education must be a genuine option for all young people from all families. Tertiary fees are rising and the iniquitous student loans scheme creates unnecessary barriers. There is clear evidence that the fees are acting as a disincentive for low income, Maori and Pacific Islands young people in accessing tertiary education. CPAG believes it is fair to tax people who earn high salaries after they are employed rather than charge excessive fees before their training and before they have a job. While progressive taxation is the fairest option to the student loans scheme, abolition of interest on student loans, a universal student allowance, and a substantial reduction in student fees is required.

- **SCHOOLS:**

A recent Council of Educational Research survey of 350 schools on the 10th anniversary of Tomorrow's Schools has found that Maori children and those from poor families and their schools have suffered most from the reforms. Here is strong evidence that disadvantaged children have had their educational opportunities damaged by policies that were supposed to benefit them. It is imperative that the Labour-Alliance coalition take responsibility for reversing policies that have led to this situation.

- **WELFARE BENEFITS**

The social welfare system is antiquated and unfair. A substantial re-evaluation is overdue. The level of the benefits is so low that few can exist on them without some supplementary form of income. A sole parent on a benefit has insufficient money to live on, but if she/he earns an extra \$80, after tax and loss of \$20 of Accommodation Supplement, the effort is hardly worthwhile. For a young person on the community wage any earnings over \$80 a week are treated so punitively that there is no incentive at all to earn more. These abatements and the additional costs of obtaining a job, such as clothing, transport and childcare, mean that paid work is futile, especially when the less tangible costs of not being available to children are counted. To not declare extra income turns beneficiaries into fraudsters, yet many must do just that in order to survive. Children and young people are the big losers. The community wage does not provide either useful training or access to employment at a liveable wage.

- **FOODBANKS**

Foodbanks should not be an integral part of the welfare system. They have become entrenched, to New Zealand's shame, through low benefits and a lack of suitable work. No New Zealand child should be hungry in a land where food is plentiful. There is evidence of both growing use of foodbanks and of a significant proportion of users being in paid work, often low paid, part-time work. CPA sees the root causes of food poverty lying with market rents and low benefit and income levels.

- **SOCIAL SERVICES**

Over recent years it has become clear that the Department of Child Youth and Family Services (as it is now called) had neither the resources nor the mandate to provide effective social services for children and young people in need of care and protection. Families do not receive services or assistance when required and children do not receive the protection they need. While there have been numerous restructurings of the service, these have not produced any significant change in the quality of service delivery. The position is serious and requires immediate action to ensure that children and young people do not remain vulnerable.

- **CHILD SUPPORT**

Child Support is punitive in the extreme. Payments by the custodial parent should always make the child's family better off. This does not happen when the custodial parent is a beneficiary: child support payments below a designated threshold are retained by WINZ to offset the benefit being paid. No party addressed this issue in the election. The Inland Revenue Department should be called to account for its attitudes towards children – as displayed in the \$850,000 it spent on a flawed TV advertisement campaign in 1998 designed to change social attitudes to child support. This campaign had the potential to harm and humiliate the children of sole parents and requires a full investigation of the powers the IRD have appropriated in a form of social engineering.

CONTACTS:

Dr Innes Asher
mi.asher@auckland.ac.nz

Dr Sharon Milne
Ph 09.817.3230 (home)
sharonm@ihug.co.nz

Dee Parks
Ph 09.377 8410
deeparks@adr.co.nz

Dr Alison Blaiklock
Ph 09.828.2209 (home)
alisonb@iconz.co.nz

Dr Mike OBrien
ph 09 443.9768
M.A.Obrien@massey.ac.nz

Susan St John
09.373.7599 x 7432
s.stjohn@auckland.ac.nz

Janfrie Wakim
09 373.7599 x 6577
j.wakim@auckland.ac.nz